GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

STARRED QUESTION NO:68
ANSWERED ON:21.11.2016
Promotion of Agro-Based Cottage Industries
Pal Shri Jagdambika;Rathore Shri Hariom Singh

Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the details of various schemes being implemented by the Government for promoting and setting up of agro-based cottage industries in the country;

(b) the details of job opportunities created by the agro-based cottage industries in the country during the last three years and the current year, State/UT-wise;

(c) the number of agro-based small and cottage industries being operated by the Government along with the contribution made by the Government thereto;

(d) whether the Government proposes to set up more agro-based cottage industries in the country and if so, the details thereof along with the funds allocated for the purpose and time by which such industries are likely to be set up, State/UT-wise; and

(e) the other steps taken/proposed to be taken by the Government to encourage the farmers to set up more agro-based cottage industries in the country?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI KALRAJ MISHRA)

(a) to (e): A statement is laid on the Table of the House

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION No.*68 FOR ANSWER ON 21.11.2016

(a)to(c) : Ministry of MSME through Khadi and Village Industries Commission (KVIC) and Coir Board is implementing the following schemes to promote agro-based cottage industries:

1. Prime Minister's Employment Generation Programme (PMEGP) is a credit linked subsidy scheme, for setting up of new micro-enterprises and to generate employment opportunities in rural as well as urban areas of the country through KVIC, State Khadi & Village Industries Board (KVIB) and District Industries Centre (DIC). General category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as SC/ST/Women/PH/ Minorities/ Ex-Servicemen/NER, the margin money subsidy is 35% in rural areas and 25% in urban areas. The maximum cost of projects is Rs.25 lakh in the manufacturing sector and Rs.10 lakh in the service sector. Since inception and up to 2016-17 (upto 31.10.2016), 3.91 lakh micro enterprises have been set up by utilizing margin money amounting to Rs.7970.54 crore. 32.87 lakh jobs have been created from these units. The year-wise and state-wise details of job opportunities created and number of units set up under PMEGP Scheme is given in Annexure-I.

2. Scheme of Fund for Regeneration of Traditional Industries (SFURTI) was launched in 2005-06 for making Traditional Industries more productive and competitive by organizing the Traditional Industries and artisans into clusters. A total of 56 DPRs have been approved benefitting 41157 artisans. Against this, funds involving Rs.70.46 crore have been released by the Ministry till date (i.e. 15.11.2016). Details of clusters setup in various states with job opportunities created under the SFURTI Scheme is given in Annexure-II.

3. Coir Udyami Yojana (formerly known as REMOT Scheme) is a credit linked subsidy scheme, which provides assistance for setting up of coir units with a maximum cost of project upto Rs.10 lakhs plus working capital, which shall not exceed 25% of the project cost. The pattern of assistance is 40% as Govt. subsidy, 55% as loan from Banks and 5% as beneficiary contribution. Scheme is open to all individuals, companies, SHGs, NGOs, Institutes, etc. During the FY 2016-17, 310 units have been set up by utilizing subsidy amounting to around Rs.6.62 crore upto 31.10.2016. Upto 03.11.2016, 6747 units have been set up by utilizing subsidy amounting to around Rs.90.52 crore.

4. Mahila Coir Yojana (a component of Coir Vikas Yojana-CVY) is an exclusive skill development programme for rural women artisans in coir sector. Training is provided in spinning of coir yarn/various coir processing activities. The scheme envisages distribution of motorized ratts/motorized traditional ratts and other coir processing equipments at 75% subsidy subject to a maximum amount of Rs.7500/- on successful completion of the training programme. During the training period, the women artisans are given a stipend amounting to Rs.1000/- per month. Coir Vikas Yojana also includes Skill Development & Training Programme in coir sector, Domestic & Export Market Promotion and Development of Production Infrastructure. Rs.21.67 crore has been released under CVY during 2015-16 and Rs.15.00 crore has been released upto 31.10.2016 during 2016-17.

(d)&(e): Ministry of MSME has launched a new scheme called "A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE) from March 2015. The focus of the scheme is for setting up of Livelihood Business Incubators (LBI), Technology Business Incubators (TBI) and Fund of Funds (FoF) for enterprise creation under Small Industries Development Bank of India (SIDBI). Till date 41 LBIs and 5 TBIs have been sanctioned and 20 LBIs have started functioning. Rs.22.78 crore has been released for setting up of LBIs and TBIs, Rs.60 crore has been released to SIDBI for setting up of Fund of Funds.

For the Financial Year 2016-17, a provision of Rs.1139.00 crore has been made for PMEGP in the Budget Estimates. State-wise Margin Money subsidy target of Rs.1100 crore has been fixed, Rs.39 crore are kept for Backward-Forward Linkage (BFL). A target of 55200 projects generating an estimated employment for 441600 has been fixed for the FY 2016-17. Till 31st October, 2016, Rs.585.91 crore have been disbursed by the Banks for setting up of 25327 projects generating an estimated employment for 1,87,252 persons.